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OBAMA'S SECOND-TERM BFD AGENDA

The president has a new opportunity for immigration reform, old business to finish on health care, and fateful decisions to make about energy and climate.

BY PAUL STARR

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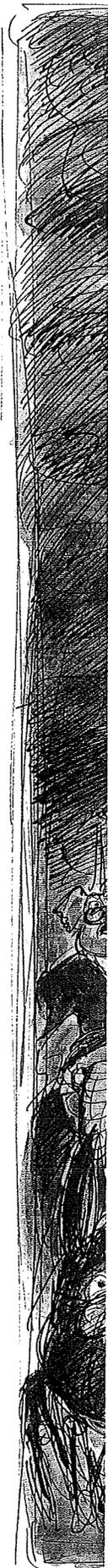
Just after Barack Obama signed the Affordable Care Act into law on March 23, 2010, Joe Biden came up to him and, thinking they were out of range of the microphone, said to the president, "This is a big fucking deal." If I understand the concept of a BFD in the technical sense that Biden must have had in mind, it's a historic reform that changes America in a fundamental way. Presidents have other imperative responsibilities, such as upholding the Constitution, keeping the nation safe from foreign threats, and promoting a strong economy. As critical as those are, they are not BFDs; a president who does all those things will probably get re-elected yet receive only brief mention in the history books. To be celebrated by future generations requires the accomplishment of substantial change with enduring benefit. In the language of the political scientist James MacGregor Burns, that is the work of a transformational leader, not merely a transactional one.

This past November, many people voted for Obama only to stop the Republicans from carrying out their agenda, not because they still expected him to bring about fundamental change. But now that he has won a second term, it's fair to ask: What large purposes can Obama realize? Running for president in 2008, he set ambitious goals, including measures to prevent climate change, revamp the immigration system, and achieve universal health

coverage. Then the economic crisis took over, and although Obama's stimulus legislation included large investments in green energy, he failed to win passage of the top climate-change priority (cap-and-trade legislation to limit carbon emissions) or to make any progress on immigration reform. Whether the Dodd-Frank overhaul of financial regulation qualifies as a BFD is debatable, but Obama did pass health-care reform, and at the time it certainly seemed to meet the stiff criteria for BFD status.

The reasons for Obama's decision in his first term to invest political capital in health care may be indicative of what he does in his second. One of Washington's favorite clichés, "Elections have consequences," tells a large part of the story. Before entering the presidential race, Obama had little involvement in health policy, but he had to master it during the primaries to hold his own in debates with Hillary Clinton, the party's baptized-by-fire health expert, and to respond to the unions and other groups mobilized around the issue. By the end of the campaign, Obama had become not only knowledgeable about health-care reform but also committed to it. Privately, he told former Senate Majority Leader Tom Daschle that it would be his "legacy" as president.

Obama's focus on health care was also motivated by a practical consideration. Of all the possible BFDs he could have fought for, health-care reform had the best odds of success thanks to shifts in the positions of key interest



groups and congressional leaders. Representatives of the hospitals, doctors, drug companies, and to an extent even the insurance industry were signaling cooperation, and all the key Democratic leaders on both sides of Capitol Hill were on board. As another favorite political cliché had it, the “stars were aligned” for health-care reform in a way they hadn’t been for Bill Clinton in 1993.

But in 2009 there was no celestial alignment for legislation on climate change or immigration. The cap-and-trade bill faced intense opposition from much of the energy industry and from senators in coal-dependent states. After passing the House in June 2009, cap-and-trade died in the Senate when efforts to write a bipartisan bill collapsed. In 2007, an immigration bill that had passed the House had also died in the Senate for want of Republican support despite President George W. Bush’s endorsement, and when Obama tried to revive that legislation in 2009, he was unable to find Republican partners in Congress and met resistance from some Democrats as well. To be sure, congressional Republicans denied Obama any cooperation on health-care reform, and it too would have died in the Senate if Democrats had not had 60 votes of their own during the second half of 2009. When Scott Brown won Ted Kennedy’s old seat in Massachusetts in January 2010, the Democrats lost their filibuster-proof supermajority, and after Republicans won control of the House that November, Obama lost any way to get BFDs through Congress.

As his second term begins, Obama faces the same balance of power in Washington as he has for the past two years: Republicans remain in full control of the House and have enough votes to filibuster legislation in the Senate. But just as the 2008 election had consequences, so may the 2012 election. Latinos gave Obama overwhelming margins, and the president is now both obligated and committed to reciprocate by pressing for immigration reform. The inexorable prospect of rising numbers of Latino voters has also produced an epiphany about immigration among influential Republicans. In addition, immigration reform has critical interest-group support from business groups, including the U.S. Chamber of Commerce, and from evangelical leaders, who are now speaking up for action.

As a result, the odds of passing immigration reform have risen. Meanwhile, however, after surviving the Supreme Court, health-care reform faces resistance from Republican governors and state legislators, who may well prevent it from achieving its aims unless the administration can surmount a series of difficult challenges in the next year. On energy and climate, Obama has limited but critical leverage, mainly through regulatory measures—but approving those measures could have severe political repercussions. So all three of the BFDs that Obama called for when he first ran for president are still to be achieved in his second term.

THE TURNABOUT ON IMMIGRATION

The growing Latino vote is the immediate reason, but not the only one, for the improved chances of immigration reform. During the past two years, the young Latinos who make up the “dreamers” movement played a critical role in changing the tenor of the national debate. In late 2010, in the midst of the anti-immigrant Tea Party fervor, Senate Republicans killed the Dream Act, which would have created a path to citizenship for unauthorized immigrants who arrived in the United States before age 16 and have since pursued an education or served in the military. Rather than give up all hope, however, many of the dreamers went public, told their stories, and organized a movement that refocused the nation’s attention on the positive contributions to society they could make if given legal status. Most important, they prodded and emboldened a president who supported their cause but whose Department of Homeland Security, under Secretary Janet Napolitano, has carried out 400,000 deportations.

In retrospect, the turning point in the immigration debate came last June, when Obama agreed to issue a directive giving dreamers a two-year reprieve from deportation through “deferred action for childhood arrivals” (DACA). It was a classic case of a social movement pushing a president to take action that turned out to be in his own self-interest. Without stirring much of an adverse reaction, the directive generated enthusiastic support from Latinos, many of whom might otherwise have sat out the election. Playing to his conservative base, in contrast, Mitt Romney called for measures to get immigrants to “self-deport,” promised to end DACA, and wound up losing Latinos by 44 points and Asian Americans by a similar margin, 46 points. Recognizing that their party can’t continue to alienate the fastest-growing portions of the electorate, some prominent Republicans announced immediately after the election that they were ready to rethink immigration. In one memorable about-face, Fox’s Sean Hannity said that he had “evolved” on the issue and now agreed that illegal immigrants should have a path to citizenship.

Behind this shift in the political winds is another auspicious change that helps move the national debate about immigration policy away from the preoccupation with border enforcement. The problem of illegal border crossing has receded; in fact, there has been no net illegal immigration during the past five years. The number of illegal immigrants in the United States peaked in 2007 and has since fallen by nearly a million. The drop in demand for labor in the United States during the recession is only part of the explanation. As a result of a sharp decline in Mexico’s birthrate, fewer young Mexicans are entering the labor force, and the Mexican economy—now growing at a brisk 4 percent—can better absorb them. While border enforce-

ment has increased the risks of illegal entry, other policies have enabled Mexicans to come legally to this country on business visas or as temporary workers. As Jorge G. Castañeda, a former Mexican foreign minister, and Douglas S. Massey, a leading sociologist of immigration at Princeton University, wrote last June in *The New York Times*, “Migration between Mexico and the United States has returned to a healthy circular pattern: large numbers of Mexicans legally cross northward to work, then return south with confidence that they can repeat the journey the next time.”

But while the number of unauthorized immigrants isn't growing, 11 million of them continue to live in the United States, and the presence of that large a population without legal protection or political rights is fundamentally inconsistent with the rule of law and democracy. This is the core of the problem: Not only do those without rights suffer abuse and injustice; their presence in a society weakens security and justice for all. When employers can take advantage of immigrants who have no legal recourse, the rights of all workers to a minimum wage and safe working conditions are undermined. When much of the low-income population

House—a reassuring choice for the immigration-reform groups, which distrust Napolitano's department. As is often the case in legislative initiatives, the experts who follow the issue closely differ about how broad in scope and specific in detail the White House bill should be. There is no question that Obama will propose a path to citizenship for the unauthorized population, but it is unclear whether his bill will also spell out, for example, quotas for the future flows of immigrants in all the many categories that immigration law provides. Those numbers raise divisive issues for business and labor as well as other groups, and in a dynamic economy they probably shouldn't be fixed in statute anyway. As an alternative, many Democrats favor creating a “standing commission” that would make periodic adjustments to the quotas subject to congressional override. Since the various elements of immigration policy are interrelated, there is a rationale for resolving them at the same time. But the White House may at least initially abstain from staking out a position on some critical decisions that are fraught with conflict, leaving them to be negotiated on Capitol Hill.

On the Hill, legislative activity will almost certainly begin

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cannot vote for lack of citizenship, the interests of the poor who are citizens count for less in the eyes of politicians. It is hard to take seriously the people, mostly on the right, who say they want to deport the “illegals.” Surely they must recognize that if they were to get their way, crops would lie unharvested in the fields, fruit would fall rotting from the trees, hotels and hospitals would gather dirt and grime, and many of the native-born, both elderly and young, would lose the care they receive from home-care workers and nannies. In past centuries, many of those who enjoyed the services of indentured servants and slaves also did not want to accord them the rights of citizens. We no longer respect that impulse, and for the same reason we should not respect the impulse to deny citizenship to the millions of immigrants who have been working for years in jobs that no one else was willing to fill. This is why immigration reform is not just an arcane policy issue. It is a BFD in the true Bidenian sense.

At his first news conference after the election, Obama said he was “very confident” he could pass immigration reform and would introduce a bill early in his second term. According to sources close to the administration, the primary responsibility for that bill lies with Cecilia Muñoz, director of the Domestic Policy Council in the White

in the Senate, where immigration reform has the support of Majority Leader Harry Reid. The Judiciary Committee, under Patrick Leahy, is expected to conduct hearings this spring and mark up a bill that will proceed to the floor under “regular order,” which means that it will be open to amendments from members of both parties. In Obama's first two years, Chuck Schumer and Lindsay Graham negotiated in private and failed to come up with legislation; they have resumed talks, this time as part of a larger group that includes six other senators: Democrats Dick Durbin, Michael Bennett, and Robert Menendez and Republicans John McCain, Mike Lee, and Jeff Flake. (Although Marco Rubio is not a member of this “gang of eight,” he also seems likely to be a central player.) How a bipartisan agreement will take shape is still unclear. Frank Sharry, a veteran immigration-reform advocate who runs an organization called America's Voice, observes that no pair of senators currently plays the bridging role on the issue that Kennedy and McCain played in the past: “The muscles of bipartisanship have atrophied.”

Thus far the critical division between the two parties concerns the extension of citizenship to the unauthorized population. After the November election, retiring Republican Senators John Kyl and Kay Bailey Hutchison introduced an

alternative to the Dream Act that provided for unauthorized immigrants who arrived as children to acquire legal status on a temporary, though renewable, basis—but without a path to citizenship. Democrats generally favor a staged process for unauthorized immigrants to earn legal status first and citizenship later, coupled with increased enforcement measures to prevent a future increase in illegal immigration. For example, under the approach favored by Menendez, unauthorized immigrants would have to register, go through a background check, pay a fine and any back taxes they owe, and learn English to qualify for legal residency. Citizenship would not come for at least another five years. Meanwhile, the government would strengthen requirements for employers to verify the legal status of new hires.

Although the parties' positions on citizenship for the unauthorized population may appear irreconcilable, there are ways to close the gap. For example, Doris Meissner, commissioner of the U.S. Immigration and Naturalization Service under Clinton, speculates that Republicans might agree to a path to citizenship "in a very stretched out way," taking 10 or 15 years. Since the eligibility for some public programs depends on citizenship, a compromise on those lines would reduce the legislation's cost. That would also be the effect of a final compromise that provided a path to citizenship for the 1.2 million childhood arrivals but only legalization for others.

Reid can ensure that immigration reform comes to the floor in the Senate. But if the House is to vote on immigration, Speaker John Boehner will have to send a bill to the floor that probably won't have a majority of his majority (which was how the "fiscal cliff" legislation passed the House on January 1). He might make that decision if the business interests that favor immigration reform weigh in heavily and Republican leaders conclude that it serves the best interests of their party to resolve immigration reform instead of leaving it as an issue for Democrats in coming elections. Some Republicans, to be sure, are so opposed to "amnesty" in principle that they are oblivious to the electoral concerns, and others may believe that they can win more Latino votes in 2016 merely by changing their tone and putting Rubio or former Florida Governor Jeb Bush on their national ticket. Bush, who is now writing a book on immigration reform, could present himself as the architect of compromise.

Regardless of whether Republicans agree to immigration reform now, the rise of Latino power will be relentless. The number of Latinos eligible to vote, according to the Pew Hispanic Center, will nearly double by 2030 and account for 40 percent of the increase in the eligible national electorate. Latinos provided the margin of victory for Obama in four states in 2012—Colorado, Nevada, Florida, and New Mexico—and not long from now may put in play such states as Arizona, Georgia, and even Texas.

That is why many Democrats are convinced that immigration reform is a matter of "when, not if," as Marshall Fitz, an immigrant-policy analyst at the Center for American Progress, puts it. While the odds of passing immigration reform under Obama have risen, Fitz still pegs them at only about 15 or 20 percent. Consequently, he says, "we are focused on winning the argument, so it becomes very clear [if legislation fails] what forces prevented it."

HEALTH REFORM IN HOSTILE HANDS

When Congress passed the Affordable Care Act, many Democrats hailed it as a historic milestone comparable to Social Security and Medicare. They weren't yet thinking about the challenge of implementation. Both of the older programs were originally carried out by federal officials committed to making them work, and once firmly established under Democratic administrations, the programs were impossible to reverse when Republicans later took power. In contrast, the implementation of health-care reform depends on state officials, many of whom lack any commitment to the program's success. As of 2013, Republicans have one-party control of 24 state governments and partial control of another 14. After failing to overturn "Obamacare" in the Supreme Court, they have one more chance before its main provisions take effect in 2014 to prevent the law from being fully carried out and becoming as entrenched as the earlier programs have been.

The Affordable Care Act addresses a wide range of problems in health care, but it has one central, animating purpose that makes it a BFD. It aims to improve access to medical services and financial security for the millions of Americans who have been left out of the insurance system or received only meager protection at an exorbitant cost. The law represents the most substantial effort in recent years to improve the living standards of low-wage workers and to counteract rising economic inequality. If it fails to cut the number of uninsured substantially, it will not count as a success.

But whether the Affordable Care Act will achieve that purpose is uncertain. Many of the people the law aims to help do not understand it; according to a recent survey, 78 percent of the uninsured aren't aware of the new opportunities for coverage provided under health-care reform. Whether any of the funds under the Affordable Care Act may be used for public education is a point of dispute between the administration and congressional Republicans; most states are not likely to allocate any money for that purpose. The individual mandate that was supposed to require people to get insured has such small and lightly enforced penalties that it may not be effective. And most of the red states are balking at the changes that the legislation was expecting all states to undertake.

The reliance on the states is the result of concessions that advocates of universal coverage made in order to

pass the Affordable Care Act. Instead of the approach that progressives historically preferred—that is, establishing a federal program on a social-insurance basis along the lines of Medicare—the law expands Medicaid and private insurance, two sources of coverage that reformers had long regarded as inequitable. In much of the South and Southwest, one out of every five people has been uninsured in large part because the states have restricted eligibility for Medicaid. In most states, private insurers have every incentive to limit coverage or deny it altogether to anyone with a history of illness or other indications of medical risk.

The law attempts to overcome those problems, first, by expanding Medicaid to cover all individuals with incomes up to 138 percent of the poverty level, and second, by reforming the private market for people with incomes above that line. Under the new system, insurers cannot exclude pre-existing conditions or set premiums according to an individual's health, and they must accept any applicant. New insurance exchanges, to be run by the states, are supposed to enable people to buy that coverage with the benefit of federal tax credits, scaled so as to keep the cost of the premium at an

apparently so distasteful to some governors and legislators that they would prefer to sacrifice local economic interests.

In addition, many states aren't undertaking the critical work involved in creating a new insurance market; only 18 of them, as well as the District of Columbia, are setting up their own insurance exchanges. At least in this respect, unlike Medicaid, the Affordable Care Act has a backup provision that calls for the federal government to step in where a state fails to act. (The states also have until February to decide whether to undertake some of the functions in a "partnership" arrangement with the federal Department of Health and Human Services.) A nationally operated exchange would have had many advantages if the law had envisioned it from the beginning; many states, especially the smaller ones, lack the necessary administrative capacities and computer systems. But nearly three years have gone by while the states dithered over whether to build their own exchanges. Now, with open enrollment beginning next October 1 (for coverage starting January 1, 2014), federal officials face an awesome task in establishing and operating exchanges in some 32 different states and coordinating those operations

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affordable level for those with low or moderate incomes.

Although these reforms are complicated, they are workable—if states join in the effort. Whether they can succeed in states that withhold cooperation is an open question.

Thanks to the Supreme Court's decision last June, the Affordable Care Act no longer necessarily creates a single national standard of Medicaid eligibility. By ruling that Congress could not deny matching funds to the states for their existing Medicaid programs if they refuse to expand eligibility, the Court effectively made the expansion optional. Many of the red states with the highest numbers of uninsured are at least initially going to reject the expansion even though the federal government will pay 100 percent of the cost of newly eligible beneficiaries for the first three years, declining to 90 percent thereafter. State officials complain about being forced to increase spending, and expanding Medicaid would increase their budgets—but on average only by about 0.1 percent, according to estimates by the Urban Institute. At the same time, the states would benefit in other ways. The costs of uncompensated care, which hospitals now transfer to the privately insured, would go down, and the influx of federal Medicaid dollars would have a multiplier effect on state economies. But providing health care to the poor is

with state Medicaid programs and insurance departments.

In the past, some efforts to establish insurance pools like the exchanges have failed because of "adverse selection"—that is, the individuals or groups seeking coverage tend to include disproportionate numbers of people with high medical costs. The Affordable Care Act tries to solve that problem in several ways. By requiring everyone who isn't already covered to buy insurance if they can afford it, the law's "individual mandate" aims to bring in the healthy as well as the sick. By requiring companies that sell coverage both in and outside the exchange to do so on the same terms, the law tries to prevent insurers from enrolling healthy people directly, steering bad risks to the exchange, and driving up the cost of subsidized premiums.

For fear of arousing opposition, however, Congress enacted these provisions in relatively weak form. The "individual mandate" hardly lives up to its reputation. For 2014, the penalty for failing to comply is just 1 percent of income or at least \$95, and the only method of enforcement available to the government is the withholding of a tax refund. The government cannot threaten to garnish wages or seize funds in bank accounts, much less send anyone to jail. If many of the young and healthy simply ignore the mandate and don't

sign up for insurance, the premiums will have to be higher, driving away more people and raising the cost of subsidies.

Stronger legislation would have required all health insurance for individuals and small groups to be sold through the exchanges. By allowing insurers also to sell coverage directly, the law invites the industry to develop different “products” for that market and to evade the rules requiring the same rates for coverage in and out of the exchange. The law is likely to work well only if there is comprehensive regulation of the insurance market—and without committed support from the states, that is unlikely to happen.

The law’s opponents are also trying to undermine it with more legal challenges. After losing their case against the mandate, they’re arguing that a literal reading of the statute allows only for subsidies in state-built exchanges, not in a federal exchange. That is one of the reasons that red states are declining to set up exchanges. If they can stop Obamacare from providing their citizens with insurance subsidies, they can make it impossible to cover the uninsured.

Legal observers don’t believe that lawsuit has high odds of success, but it is only one of many obstacles the administration will have to surmount. The danger that the administration faces is that the number of people who gain coverage from the Affordable Care Act will be disappointingly low, and the cost per person insured will be discouragingly high.

Obama holds a stronger hand on Medicaid than on the exchanges. The terms on which the federal government is offering to expand Medicaid are so generous that most states should eventually come around, but sooner would be better, and the president may be able to use his authority to speed the process. At a conference in Princeton in November, an official from Utah suggested that his state might be more amenable to expanding Medicaid if Obama were willing to negotiate a waiver from some federal Medicaid requirements. The administration, however, has foreclosed one possible basis for negotiations. On December 10, it declared that states cannot partially expand Medicaid eligibility; they must open the program to all those made eligible under the Affordable Care Act or not receive any of the *additional* money provided for that population. In that respect, the states continue to face an all-or-nothing choice.

The red states have little to lose by letting the federal government launch the insurance exchanges and take the blame for start-up problems. If the exchanges are a success, the states can decide to take them over later. But the mostly Democratic states that are building their own exchanges may be able to go beyond the limitations of the federal law and run their programs more successfully. For example, a state may set up its exchange with additional powers, enabling it to bargain aggressively with insurers over premiums, networks, and other aspects of coverage.

Under the best of circumstances, there would be difficul-

ties with the rollout of a program this big and complex. The dependence on hostile state governments creates a much larger risk of backlash. Henry Aaron, an economist at the Brookings Institution, says that commentators this year were correct in predicting that the election would decide the fate of health-care reform; only now he thinks it will be the 2016 election. The challenge Obama faces in his second term is to consolidate the changes under the Affordable Care Act so there is no possibility his successor can overturn it. Many of its provisions, such as improvements to the breadth and security of coverage for people who already have insurance, will be broadly popular. If it can survive the start-up years, a program that has been such a source of political woe could become a political winner.

BREAKING THROUGH ON CLIMATE

Although Obama didn’t make climate change an issue in 2012, it turned up suddenly in his victory speech on election night, when he declared, “We want our children to live in an America ... that isn’t threatened by the destructive power of a warming planet.” But if the president has a plan for pursuing that goal in his second term, it’s still a well-kept secret.

In 2009, Obama and congressional Democrats were able to use the stimulus bill to support clean-tech initiatives that may pay off in the long run; for example, the Recovery Act established a new program in the Department of Energy to support breakthrough innovations in energy technology. From a political standpoint, however, the past four years have not advanced energy and climate policy; instead of moving toward consensus on the issue, the country has become more polarized. Republicans such as Romney who once acknowledged the scientific consensus on global warming and supported cap-and-trade have abandoned their earlier positions. Hurricane Sandy set off alarms in the Northeast about rising temperatures and sea levels, but it didn’t shake the Republican House majority from its complacency. As a result, unlike immigration reform, climate policy doesn’t appear to present any opportunities for new legislation. What Obama can do to create a “climate legacy,” as the environmental writer David Roberts argues, is to extend the regulation of carbon pollution that his administration has already begun.

Under the Clean Air Act, the Environmental Protection Agency has the authority to regulate pollutants in the interests of public health. In 2007, the Supreme Court held that the EPA may regulate carbon emissions if it finds them to be a threat to public health, and in 2009 the EPA did just that. Its first step in regulating those emissions was to set higher fuel-efficiency standards for new vehicles. Since improved fuel efficiency reduces the cost of gas for consumers, it also has clear and appreciable economic benefits. The regulation of “stationary” sources of emissions—primarily

power plants—is more controversial because tighter standards may raise costs to consumers. But if we're serious about addressing climate change, we have to deal with power plants and other stationary sources since they are responsible for two-fifths of total carbon emissions.

Fortunately, low natural-gas prices have helped Obama take the first step on power plants. In March 2012, the EPA set rules for new plants, requiring that they emit no more than 1,000 pounds of carbon dioxide per megawatt hour, a standard that plants fired by natural gas can already meet. But coal-fired plants, which typically emit twice that level of carbon, cannot meet the new standard without costly measures for carbon capture and sequestration. Because natural gas is so cheap, however, utility companies are not planning to build any new coal-fired plants in the United States. So the EPA's new standard is just reinforcing a shift that has already taken place for other reasons.

But while the administration has taken the relatively easy step of setting a carbon-emission standard for new power plants, it has refrained from regulating existing plants. Imposing the same standard on old plants as on

produce coal or rely on it. After determining how best to blunt that attack or how to achieve the same ends through other means—some climate experts favor policies reducing other climate pollutants such as hydrofluorocarbons that are short-lived in the atmosphere—the president needs to move ahead. As Al Gore told an environmental group in New York a month after the election, “We cannot have four more years of mentioning [climate change] occasionally and saying it's too bad that the Congress can't act.”

The immediate demands of politics almost always trump long-run concerns such as stopping climate change. A president in his second term, however, doesn't have to worry about re-election, so he ought to be able to give those long-run interests a higher priority than they usually receive. To be sure, the urgent business of the presidency threatens to be all-consuming. Obama has cabinet positions to fill and judicial nominations to make. He will have continuing struggles with Congress over the budget, taxes, and the economy. International crises will inevitably become

Climate policy doesn't offer opportunities for new legislation. What Obama can do is to **use existing law to extend the regulation of carbon pollution he has already begun.**

new ones would threaten to shut down so much generating capacity that it would have dire economic ramifications and cause a political firestorm. But is there a way of nudging change in existing plants without producing the feared adverse consequences? In early December, the National Resources Defense Council suggested there is.

The NRDC proposed that just as the federal government sets average fuel-economy standards for an automobile maker's entire fleet of vehicles, so it should set emissions standards for an energy company's entire fleet of facilities. Companies could then comply with the standards in a variety of ways, including measures to promote energy efficiency. According to the NRDC, instead of raising power costs, its approach would lower costs to customers, and instead of placing the burden of compliance on coal-dependent states, it would spread the obligations for reduced emissions more evenly across the country.

Whether the NRDC approach holds up under scrutiny, we don't yet know. But in trying to reconcile climate policy with economic and political realities, it points in the right direction. Ultimately, though, Obama will have to make a difficult political call; Republicans will seize on the Democrats' “war on coal” to make gains in states that either

preoccupations. Scandals, real and imaginary, may disrupt his administration and upset his agenda. Just sustaining traditional Democratic commitments to older programs such as Social Security will be difficult.

But what distinguishes Democrats today is that they offer a vision that is not only more progressive but also more realistic than the outlook of a Republican Party in the grip of its backward-looking right wing. A Democratic president has to live up to that promise of preparing the country for change. In discussing immigration, health care, and climate policy, I haven't meant to suggest that the measures that Obama can take are once-and-for-all reforms. Each one is part of a long-term project. Immigration reform is only one step in the adjustment to a new and more ethnically diverse America. The Affordable Care Act is only one step in putting health care and social policy on a more secure, balanced, and just foundation. The promotion of clean-tech energy is only one step in moving toward a more environmentally sustainable economy. These all fit together as part of a vision of how Americans—all of us—can prosper in coming decades. If Obama can advance that larger aim, his vice president can savor the accomplishment with whatever choice phrase comes to mind. ■